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August 28, 2009

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
Room 2111
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Re: FTZ 82, Application for Subzone Authority, ThyssenKrupp Steel and Stainless USA, LLC, Notice of Public Hearing and Reopening of Comment period – Appearance of Linda Andros, Legislative Counsel, United Steelworkers Union

Dear Mr. McGilvray:

Pursuant to the Federal Register announcement of August 3, 2009, regarding the above-described application of ThyssenKrupp Steel and Stainless USA, LLC, for subzone authority, Linda Andros, Legislative Counsel, will be appearing on behalf of the United Steelworkers Union. A summary of the remarks are attached.

Please confirm receipt of this document via email to landros@usw.org.

Sincerely,

Legislative Director
United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and
Service Workers International Union, AFL-CIO-CLC

HRH:ctl

Attachment

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

Legislative Department, 1150 17th Street, N.W., Washington, D.C. 20036 • 202-778-4384 • 202-293-5308 (Fax)

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SUMMARY OF REMARKS OF THE UNITED STEELWORKERS UNION (Linda Andros)

**Public Hearing, September 10, 2009
(Docket 51-2008)**

The United Steel Workers union (USW) is the largest industrial union in North America with 850,000 active members engaged in manufacturing a broad range of products, such as aluminum, plastics and glass. The USW represents workers in the basic metals industries who would be adversely impacted by the granting of subzone status for the ThyssenKrupp facility in Calvert, Alabama. Allowing this facility to import inputs duty free clearly would provide to a single facility an unfair cost advantage over all competing producers which are required to pay duties on such imported inputs. Indeed, ThyssenKrupp admits that obtaining FTZ subzone status was not a prerequisite for the company's construction or any subsequent increase in capacity or employment, but instead desires such status for the purpose of avoiding the duties on the raw materials used in the production of carbon and stainless steel. ThyssenKrupp is already the beneficiary of the largesse of Alabama, having received millions in incentives to locate its facility in that state.

The granting of subzone status was never a condition for either the construction or operation of the Calvert, Alabama facility and would not result in the regulatory requirement of a "significant public benefit." The Board rightly undertakes a greater degree of scrutiny with regard to manufacturing subzones, as they are single-user facilities not structured to serve the public interest. Under the legal framework the Board applies, it should deny this application, as the sole benefit of ThyssenKrupp's subzone status would be to avoid customs duties.

Carbon and stainless steel flat products (which will be produced by ThyssenKrupp in Alabama) remain subject to antidumping and countervailing duty orders from several countries and are clear evidence that the U.S. industry and its workforce remain vulnerable to unfair competition in these products from other countries. Given the tremendous economic contraction we have endured over the last year, it would be imprudent in the extreme for the USG to provide a significant competitive advantage to a single steel facility when the rest of the industry already is suffering from an horrific economic near collapse, and idled or closed steel capacity in the United States is the deepest since the Great Depression. Any additional competitive advantages, such as those that would accrue to ThyssenKrupp by not being burdened by import duties on inputs, would cause harm to other competing producers in the United States and further unemployment, thus exacerbating the current high rate of unemployment of over nine percent. The USG should not be providing tariff relief to a single consumer of raw materials at the expense of the domestic industry and its workers.

Finally, ThyssenKrupp itself is subject to four outstanding antidumping orders on various stainless and carbon steel products. It would be a negation of U.S. trade policy for the USG to provide the U.S. subsidiary of such a company with considerable cost advantages in the form of remission of duties on imported items while the parent continues to engage in unfair trade practices with regard to exports to the United States from Germany, Italy and Mexico.

If granted, the application would have an adverse affect on the U.S. economy, as explained in other opposing comments submitted to the Foreign Trade Zone Board concerning this application. As the application fails to meet the required standards for granting approval, the USW urges the Board to reject the application.